

# ALL INDIA BANK OF BARODA OFFICERS' ASSOCIATION

(CENTRAL OFFICE)

Registered Under Indian Trade Union Act. 1926 (Registration No 7083) & Recognized by Bank  
(Affiliated to INTUC and INBOC)

President: R. K. Chatterjee  
General Secretary : Prem Kumar Makker  
Email : [aiboboa1964@gmail.com](mailto:aiboboa1964@gmail.com)  
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C/O Bank of Baroda  
3, Walchand Hirachand Marg  
Ballard Pier, Mumbai-400001  
Phone : 022-22618484, 49793233

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19<sup>th</sup> Dec, 2022

Sh. Sanjiv Chadha  
MD & CEO  
Bank of Baroda,  
BCC, Mumbai.

Dear Sir,

## Subject: Loan Review Mechanism

We note that that Central Inspection Department of the bank has introduced Loan Review Mechanism (LRM) wherein fresh loan disbursements with exposure of Rs.10.00 lacs and above but below Rs. 10.00 crores which are not covered under Credit Audit Policy will be got reviewed through officers of the nearby branch.

In this connection, we have been receiving feedback from the ground level that this huge exercise with already prevailing shortage of manpower / limited resources will cause lot of hardships for the branches. The officers from branches are already stressed and struggling with shortage of staff, and now one officer from branches having one/two officer branches will be deputed for LRM at other branches and simultaneously the branches where LRM inspection will be done will have to spare some officer to attend to LRM officer leaving little resources to cater to daily work/customer service and business growth in the branch. So, it will seriously impact customer service and will impact Bank's growth.

Further, our bank already has a system of RBIA, Concurrent Audit, Credit Audit, vetting of Documents by Panel Advocate/Legal Officer, PSR system and some other certain types of compliance audits in place. With already so many layers of checks w.r.t. Pre-Sanction and Post- Sanction compliance adding another layer of LRM will lead to imbibe a feeling of mistrust in our time-tested system and controls. Further an ordinary officer identified for LRM with limited knowledge and expertise as compared to ZIAD Inspectors, cannot do justice with this new job. It appears we are moving ahead to create a system with more monitors than workers as is happening in the marketing area.

**In the above backdrop we strongly suggest to do away with this new idea and put more focus on business.**

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If at all bank still considers it absolutely necessary, all such loans eligible for LRM may be got inspected through Concurrent Auditors. In case of manpower constraints in ZIAD/CIAD, the Professional Chartered Accountants/Retiree Officers/executives can be empaneled as External Concurrent Auditor. Bank may consider suitably utilizing the services of supervisory staff posted at Controlling offices who are supposed to have better knowledge on the subject. This not only will help the branches to find time to focus on business growth but purpose of LRM also will be served in a better way when a Specialist /Trained Auditor review / inspect the accounts.

We request your goodself to kindly have a re-visit on the issue. Pending a well thought decision in the matter, this exercise should be put on hold looking to its impact on customer services and bank's business.

Sincerely yours,

**PREM KUMAR MAKKER  
GENERAL SECRETARY**